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Brian R Naranjo 12/07/2001 02:15:10 PM From DB/inbox: Brian R Naranjo

Cable Text:

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TELEGRAM

December 07, 2001

To: SECSTATE WASHDC - PRIORITY

Action: RB

From: AMEMBASSY CARACAS (CARACAS 3585 PRIORITY)

TAGS: ECON, PGOV, PINR, PREL, EIND, ELAB, EPET, VE

Captions: None

Subject: THE SHUTDOWN--PETROLEUM SECTOR RAPPROCHEMENT WITH
NATIONAL ASSEMBLY?

Ref: None

1. With the December 4 decision of the Confederation of Venezuelan Workers (CTV) to support the national strike called for December 10, Venezuelan Petroleum Chamber sources say the shutdown in the sector is likely to be close to 100 percent.

[redacted] told Econoff that only key operations, such as gas compression plants, are likely to be fully functional on December 10. [redacted] noted that industry contingency plans developed for such events will be implemented by management personnel and added that many operations in the sector are highly automated. Petroleos de Venezuela (PDVSA) sources confirmed that contingency plans are being dusted off but disputed industry assertions that rank-and-file workers will strike.

2. The international oil companies, although members of chambers such as the Camera Petrolera or Venamcham that have come out in support of the strike, are being more circumspect. Their operations will generally continue but employees will be told not to come to work if they feel their safety is threatened.

3. In the meantime, Petroleum Chamber President Hugh Hernandez Raffalli has said publicly that there is an opening for dialogue with National Assembly President William Lara on modification of the Hydrocarbons Law. (Note: Raffalli initially did not support the strike but was pressured to support it by his membership.) [redacted] confirmed to Econoff that the Chamber expects to meet with Lara, but not until after the strike. They hope such a meeting will be held before the National Assembly breaks for the Christmas holiday.

4. COMMENT: [redacted] was emphatic that the strike will proceed and will be successful but he was equally emphatic in his view that National Assembly leadership will provide some means to the private sector to register their views on the Chavez decree laws. The Petroleum Chamber is preparing its presentation for the National Assembly on the Hydrocarbons Law. The Embassy will monitor this process closely.

COOK

Additional Addressees:
None

cc:

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L MILLS
DATE/CASE ID: 05 JUN 2006 200304421

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E.O. 12958:N/A
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End Cable Text

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